

Making spending decisions

Students practice a commonly used decision-making model called PACED to help make spending decisions.

Learning goals

Big idea

Common decision-making models can help you make informed spending choices.

Essential questions

- What types of choices do you make when spending money?
- How can you make thoughtful spending decisions?

Objectives



- Understand the PACED decision-making model
- Apply the PACED model to making spending decisions

What students will do

- Complete one teacher-directed scenario using the PACED decision-making model.
- Use the "Making spending decisions" worksheet to complete additional scenarios.
- Reflect and share thoughts about spending decisions made with the PACED model.

KEY INFORMATION

Building block:

-  Executive Function
-  Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Spend (Budgeting, Buying things)

School subject: CTE (Career and technical education), Social studies or history

Teaching strategy: Direct instruction, Personalized instruction

Bloom's Taxonomy level: Analyze, Evaluate

Activity duration: 45-60 minutes

STANDARDS

Council for Economic Education
Standard II. Buying goods and services

Jump\$tart Coalition
Financial decision-making - Standard 4

Preparing for this activity

- Print copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- Making spending decisions (guide)
[bcfp_building_block_activities_making-spending-decisions_guide.pdf](#)

STUDENT MATERIALS

- Making spending decisions (worksheet)
[bcfp_building_block_activities_making-spending-decisions_worksheet.pdf](#)

Exploring key financial concepts

The PACED decision-making model can help students learn the process of making thoughtful spending decisions by taking them through the steps of considering the problem, imagining alternatives to solve the problem, defining criteria for making a decision, evaluating the best choice for their situation, and settling on a final decision.

Teaching this activity

Whole-class introduction

- Distribute the “Making spending decisions” worksheet, or have students access it electronically.
- Introduce students to the PACED decision-making model shown on the worksheet.
- Discuss the process of identifying the problem, considering alternative choices, identifying the criteria to use to compare their options, evaluating the options, and making the decision that works for their needs.
- Walk through the example scenario together as practice.
 - Talk through each step, so they can hear your thinking.

- Have students fill in the blanks on their worksheet as you identify your response for each step.
- The following can be a guide for how you might approach the decision-making process for this sample scenario:
 - **Problem:** You're hungry and you're driving from school to work.
 - **Alternatives** (what are your choices?): Buy a meal at a fast-food restaurant or eat the leftovers from your lunch.
 - **Criteria** (what criteria will I use to make my decision?): The cost of the meal.
 - **Evaluate** (what's the best choice for me?): A fast-food meal would be tasty, but eating leftovers would be cheaper and therefore best for me.
 - **Decision** (what's my final decision?): Eat my leftovers from lunch.

Individual or group work

- Ask students to complete the rest of the scenarios independently or with a partner.
 - Depending on the time you have or level of your students, you may require students to complete both scenarios, or pick one to focus on.
- Walk around the room, checking on students' work and helping answer questions that arise.
- Have students answer the reflection questions individually.
- Ask students to share their problem-solving strategies. Help them realize that there are many effective ways to solve a problem, and we can learn from different approaches people take to solve the same problem.

Wrap-up

Debrief with students, in whole-class or small-group discussions, about how they make choices in their own spending decisions.

Suggested next steps

Consider searching for other activities that address the topics of buying things, budgeting, or managing credit.

Measuring student learning

Observe students completing the PACED decision-making model with the scenarios provided.

Keep in mind that students' answers for the reflection question may vary, as there may not be only one right answer. The important thing is for students to have reasonable justification for their answers.